

FOR IMMEDIATE RELEASE

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FACT SHEET

Comprehensive Primary Care Initiative

The Centers for Medicare & Medicaid Services (CMS) released its request for applications for the Comprehensive Primary Care Initiative on September 28, 2011. This initiative from the CMS Innovation Center will help primary care practices deliver higher quality, better coordinated, and more patient-centered care. Made possible by the Affordable Care Act, this collaboration is modeled after the innovative practices developed by large employers and others in the private sector. It will invest in primary care practices throughout various local communities, helping small businesses, patients and taxpayers use their health care dollars more wisely.

Health Care System in Need of Stronger Primary Care

A primary care practice is a key point of contact for patients' health care needs. In recent years, new ways have emerged to strengthen primary care by improving care coordination, making it easier for clinicians to work together, and helping clinicians spend more time with their patients.

All around the country, health care providers and health plans have taken the lead in investing in primary care. For example:

- By focusing on care coordination and primary care, the Community Care of North Carolina program was able to decrease preventable hospitalizations for asthma by 40 percent and lower visits to the Emergency Room by 16 percent.
- Group Health Cooperative of Puget Sound reduced emergent and urgent care visits by 29 percent and hospital admissions by 6 percent.
- Geisinger Health Plan's program reduced admission rates by 18 percent and hospital readmissions by 36 percent per year.

Employers across the country have found that with health coverage policies that emphasize primary care, coordinated care, and other strategies that keep their employees healthy, they not only support a healthier workforce, they create a healthier bottom line:

- Comprehensive Health Services, whose business is providing workforce health care, found that increasing the use of primary care doctors translated into a 17 percent reduction in costs for established patients in the course of one year.
- QuadMed operates five employee clinics that are either on-site or nearby Wisconsin-based Quad/Graphics. The company's health costs per employee are approximately one quarter the cost of the rest of community because of on-site, on-demand access to care for its employees. Quality indicators, including patient satisfaction, are also generally higher with lower rates of emergency department visits and hospital admissions.

Moving towards Comprehensive and High-Value Primary Care

The Comprehensive Primary Care Initiative will build on these and other efforts. Under the new initiative, Medicare will work with commercial and State health insurance plans and offer bonus payments to primary care doctors who better coordinate care for their patients. Primary care practices that choose to participate in this initiative will be given resources to better coordinate primary care for their Medicare patients. The resources will help doctors work with patients to ensure they:

1. *Manage Care for Patients with High Health Care Needs:* Patient with serious or multiple medical conditions need more support to ensure they are getting the medical care and/or medications they need. Participating primary care practices will deliver intensive care management for these patients with high needs. By engaging patients, primary care providers can create a plan of care that uniquely fits each patient's individual circumstances and values.
2. *Ensure Access to Care:* Because health care needs and emergencies are not restricted to office operating hours, primary care practices must be accessible to patients 24/7 and be able to utilize patient data tools to give real-time, personal health care information to patients in need.
3. *Deliver Preventive Care:* Primary care practices will be able to proactively assess their patients to determine their needs and provide appropriate and timely preventive care.
4. *Engage Patients and Caregivers:* Primary care practices will have the ability to engage patients and their families in active participation in their care.

5. *Coordinate Care Across the Medical Neighborhood:* Primary care is the first point of contact for many patients, and takes the lead in coordinating care as the center of patients' experiences with medical care. Under this initiative, primary care doctors and nurses will work together and with a patient's other health care providers and the patient to make decisions as a team. Access to and meaningful use of electronic health records should be used to support these efforts.

Payment Model

Under the Comprehensive Primary Care Initiative, CMS will pay primary care providers for improved and comprehensive care management, and after two years offer them the chance to share in any savings they generate. CMS will look to collaborate with other payers in local markets who will commit to similar changes to how they engage primary care practices.

- Monthly Care Management Fees for Medicare Fee-for-Service Beneficiaries: CMS will pay participating practices a risk adjusted, monthly care management fee for their Medicare Fee-for-Service beneficiaries. For the first two years of the initiative, the per-beneficiary, per-month (PBPM) amount will average out to \$20; for years 3 and 4, the PBPM will be reduced to an average of \$15.
- Shared Savings in Medicare Fee-for-Service: Many studies suggest that it costs less to provide health care to patients who receive care from primary care practices that offer comprehensive services compared to those that don't provide such services. After two years, all practices participating in this initiative will have the opportunity to share in a portion of the total Medicare savings in their market.

Working with Medicaid Programs

This initiative will also provide practices serving people with Medicaid with additional support to allow them to participate. As part of our solicitation process, State Medicaid programs are invited to apply to participate in the multi-payer approach.

To the extent that selected practices in the selected communities serve Medicaid beneficiaries on a fee-for-service basis, and that States apply to participate in this initiative, the CMS Innovation Center will make funding available to support up to 100 percent of the additional reimbursement made for newly initiated or newly enhanced primary care services that the State would like to test as part of the Comprehensive Primary Care initiative. These payments would be made in addition to the regular fee-for-service payments primary care practices receive through the State Medicaid program.

Partnering with Private Payers

Large businesses have been able to make independent investments to promote more comprehensive primary care – improving the health of their employees and lowering their health care costs, thus making it easier for them to hire more workers and invest in their workforce. This initiative intends to partner with commercial and public health insurers to promote community-wide investments in comprehensive primary care. The result of this collaborative approach is that in these communities, consumers and businesses of all sizes will be able to benefit from a better-equipped primary care system, easing the burden of health care costs while promoting better care.

Eligibility & Scope of Initiative

This initiative is a limited demonstration project, and will be available in five to seven markets across the country. Markets will be chosen based on where a preponderance of health care payers apply, are selected, and agree to participate, and the goal is to have diverse geographic representation. Payers may be commercial insurers, Medicare Advantage plans, States (through the Medicaid program, State employees program, or other insurance purchasing), Medicaid/CHIP managed care plans, high risk pools, self-insured businesses or administrators of a self-insured group (TPA/ASO).

After the markets are selected based on payer participation, CMS and all participating payers will enroll primary care practices in those selected markets who agree to offer the expanded package of services called for in the initiative. The goal is to enroll approximately 75 practices per market.

Better Health, Better Care, Lower Costs

The Comprehensive Primary Care Initiative is just one part of a wide-ranging effort by the Obama Administration to promote coordinated care and lower costs for all Americans, using important new tools provided by the Affordable Care Act. Accountable Care Organizations (ACOs) are another way that doctors, hospitals and other health care providers can work together to better coordinate care for patients, which can help improve health, improve the quality of care, and lower costs. Under the Bundled Payment initiative, payments for multiple services patients receive during an episode of care will be linked to help improve and coordinate care for patients while they are in the hospital and after they are discharged.

The National Quality Strategy provides strategic direction for ensuring progress toward delivery system reforms that reward quality rather than the volume of services provided. The Partnership for Patients is bringing together hospitals, doctors, nurses, pharmacists, employers, unions, and

State and Federal government to keep patients from getting injured or sicker in the health care system and to improve transitions between care settings. CMS intends to invest up to \$1 billion to help drive these changes through the Partnership initiative, which it projects will save Medicare \$50 billion over 10 years. And beginning in FY 2013, for the first time, the Hospital Value-Based Purchasing program authorized by the Affordable Care Act will pay hospitals' inpatient acute care services based partially on their performance on certain quality of care measures, not just the quantity of the services they provide.

For More Information

For more information on this initiative, please refer to the CPC initiative solicitation found at: <http://innovations.cms.gov/areas-of-focus/seamless-and-coordinated-care-models/cpci/>